

4, 1976, see section 1904(d) of Pub. L. 94-455, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Section 804(c) of Pub. L. 89-44 provided that: “The amendments made by subsection (a) [amending this section] shall take effect on July 1, 1965. The amendments made by subsection (b) [amending section 4371 of this title] shall apply with respect to policies, bonds, and contracts with respect to which the tax imposed by section 4371 of the Code is required to be paid on the basis of a return.”

DETERMINATION OF PARTNERSHIP AS CONTINUING OR TERMINATED PARTNERSHIP

Section 141(b) of Pub. L. 85-859 mandated that only changes in the partnership occurring on or after the effective date specified in section 1(c) of Pub. L. 85-859 shall be taken into account in the determination of whether a partnership is a continuing or terminated one.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 4371, 7270 of this title.

CHAPTER 35—TAXES ON WAGERING

Subchapter	Sec. ¹
A. Tax on wagers	4401
B. Occupational tax	4411
C. Miscellaneous provisions	4421

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 6103, 6419 of this title; title 25 section 2719.

Subchapter A—Tax on Wagers

Sec.	
4401.	Imposition of tax.
4402.	Exemptions.
4403.	Record requirements.
4404.	Territorial extent.
4405.	Cross references.

SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in section 4412 of this title.

§ 4401. Imposition of tax

(a) Wagers

(1) State authorized wagers

There shall be imposed on any wager authorized under the law of the State in which accepted an excise tax equal to 0.25 percent of the amount of such wager.

(2) Unauthorized wagers

There shall be imposed on any wager not described in paragraph (1) an excise tax equal to 2 percent of the amount of such wager.

(b) Amount of wager

In determining the amount of any wager for the purposes of this subchapter, all charges incident to the placing of such wager shall be included; except that if the taxpayer establishes, in accordance with regulations prescribed by the Secretary, that an amount equal to the tax imposed by this subchapter has been collected as a separate charge from the person placing such wager, the amount so collected shall be excluded.

¹ Section numbers editorially supplied.

(c) Persons liable for tax

Each person who is engaged in the business of accepting wagers shall be liable for and shall pay the tax under this subchapter on all wagers placed with him. Each person who conducts any wagering pool or lottery shall be liable for and shall pay the tax under this subchapter on all wagers placed in such pool or lottery. Any person required to register under section 4412 who receives wagers for or on behalf of another person without having registered under section 4412 the name and place of residence of such other person shall be liable for and shall pay the tax under this subchapter on all such wagers received by him.

(Aug. 16, 1954, ch. 736, 68A Stat. 525; Sept. 2, 1958, Pub. L. 85-859, title I, §151(a), 72 Stat. 1304; Oct. 29, 1974, Pub. L. 93-499, §3(a), 88 Stat. 1550; Oct. 4, 1976, Pub. L. 94-455, title XIX, §1906(b)(13)(A), 90 Stat. 1834; Oct. 25, 1982, Pub. L. 97-362, title I, §109(a), 96 Stat. 1731.)

AMENDMENTS

1982—Subsec. (a). Pub. L. 97-362 substituted provision that there shall be imposed on any wager authorized under the law of the State in which accepted an excise tax equal to 0.25 percent of the amount of such wager and that there shall be imposed on any other wager an excise tax equal to 2 percent of the amount of such wager for provision that there be imposed on wagers, as defined in section 4421, an excise tax equal to 2 percent of the amount thereof.

1976—Subsec. (b). Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

1974—Subsec. (a). Pub. L. 93-499 substituted “2 percent” for “10 percent”.

1958—Subsec. (c). Pub. L. 85-859 made all persons required to register under section 4412 of this title who receive wagers for or on behalf of another person without having registered under section 4412 of this title the name and place of residence of such other person liable for the tax on all such wagers received by them.

EFFECTIVE DATE OF 1982 AMENDMENT

Section 109(c)(1) of Pub. L. 97-362 provided that: “The amendment made by subsection (a) [amending this section] shall take effect on January 1, 1983.”

EFFECTIVE DATE OF 1974 AMENDMENT

Section 3(d)(1) of Pub. L. 93-499 provided that: “The amendments made by this section [enacting section 4424 and amending this section and section 4411 of this title] take effect on December 1, 1974, and shall apply only with respect to wagers placed on or after such date.”

EFFECTIVE DATE OF 1958 AMENDMENT

Section 151(b) of Pub. L. 85-859 provided that: “The amendment made by subsection (a) [amending this section] shall apply with respect to wagers received after the date of the enactment of this Act [Sept. 2, 1958].”

CROSS REFERENCES

Imposition of occupational tax, see section 4411 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 4411 of this title.

§ 4402. Exemptions

No tax shall be imposed by this subchapter—

(1) Parimutuels

On any wager placed with, or on any wager placed in a wagering pool conducted by, a pari-